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THRU : Chief, St/I/R
: Chief, D/S

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Chief, S/CST
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Targets on Czechoslovakia

REF : St/I Office Notice No. 112, 9 April 1957

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Below is the contribution of S/CST to the Targets list on Czechoslovakia:

Objective II d.

The strengths and weaknesses of the Soviet (including Satellite) economy, with particular references to its ability to support a major war; the motivation, character, and magnitude of current economic development programs, their implementation and their effect upon the economic, political, and military strength of the Soviet Bloc; the capabilities and vulnerabilities of the Soviet and Satellite internal communications systems.

Background

During the Second Five Year Plan in Czechoslovakia (1956-60), the primary emphasis in investment construction will remain on industrial development. Increased attention, however, is to be given to alleviating the serious housing shortage which, because of its adverse effects on labor stability and efficiency, presents the regime with a serious economic problem. A major limitation to fulfillment of past construction plans has been a shortage of construction manpower, and particularly skilled workers. Further, relatively lower wages in construction than in industry and the seasonal nature of construction have been responsible for an excessive rate of labor turnover in construction. Indications are that materials supplies have been adequate for construction in the socialized sector but have not met the demands of the population, particularly for private housing construction. The development of industrialized methods of construction using prefabricated building elements is stressed as the key to expansion of construction output during the Second Five Year Plan. Such methods should moderate the seasonal nature of construction and materially offset the shortage of manpower by increasing labor productivity.

A basic deficiency in investment planning in the Satellites has been the tendency to underestimate the quantity of materials and labor

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SUBJECT: [REDACTED] Targets on Poland

inputs required for the construction of investment projects. It is also probable that investment plans are based on materials prices which do not reflect actual per unit costs of production. If this is the case, the reporting of construction plan fulfillment in value terms at plan prices understates the actual cost to society of investment projects and conceals failures to accomplish the planned physical volume of construction output with allocated investment funds.

A. General

Basic Guidance

Economic plans, programs, plan fulfillment reports, significant failures and achievements; construction planning apparatus; effects of recent moves to decentralize control over planning and execution of construction activity.

Distribution of construction output among major economic sectors; the extent of military and defense construction and the impact on the over-all construction program; shortages of building materials, particularly cement; any evidence of cutbacks in housing, social, and cultural construction so that scarce construction resources can be diverted to industrial construction; developments in the production of prefabricated sections and large wall panels for housing and other construction, with particular reference to production of lightweight panels and completely prefabricated houses; progress in applying techniques of industrialized construction.

Methods of arriving at estimate prices for construction materials and manpower used in investment planning; actual costs of production of various building materials; prices at which materials are sold to construction enterprises and the basis for their determination; relationship of market prices to production costs and estimates, or plan prices; price basis used by the construction industry in reporting plan fulfillment, i.e., is plan fulfillment reported in terms of plan prices or does it reflect actual prices paid for inputs, where actual prices differ from plan prices.

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<u>No.</u>	<u>Target</u>	<u>Location</u>
1.	<u>Classified version of the Second Five Year Plan (1956-60), yearly economic plans, Budgets, and plan fulfillment reports.</u>	Most likely to exist in offices of the ministries and the planning commission of the council of ministers.
2.	<u>Classified directives of the Ministry of Construction concerning methods of reporting of construction output and plan fulfillment.</u>	Ministry of Construction, other investing ministries and offices of construction enterprises.
3.	<u>Classified directives of the Ministry of Construction establishing prices of building materials and wage rates for specific types of labor</u>	Ministry of Construction construction enterprises, building materials production enterprises.
4.	<u>Classified production and financial records of enterprises producing building materials and their reports to the Ministry of Construction.</u>	Ministry of Construction individual building materials enterprises.
5.	<u>Classified records of construction enterprises, with particular reference to total wages and materials costs, and periodic reports submitted to the Ministry of Construction.</u>	Ministry of Construction, individual construction enterprises.

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Distribution:

Orig. & 1 - Addressee

2 - D/S

2 - S/CST

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